* Creation of adequate infrastructure for rural storage,rural godowns, regulated markets, warehousing, processing units and rural raod bridges etc;

* Need to improve legal environment both to increase the disbursal of rural credit and achieve better recovery;

* Computerise back and front office operations and improve facilities provided to employees in rural areas;

* Prudential norms criteria should be made more flexible;

* Commercial banks to have a need for small complement of specialists and more pragmatic personnel policy for rural branches.

(c) The measures taken to ensure higher credit flow to rural areas include introduction of new innovations like private sector involvement in agriculture extension, introduction of land purchase scheme, introduction of joint liability groups and contract farming, introduction of scheme for agri-clinics and agri-business centres, promotion of Self-help Groups etc.

Guidelines on arbitrary use of instruments

2886. SHRI RAMA MUNI REDDY SIRIGIREDDY:
SHRIMATI N.P. DURGA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has issued guidelines to put a bar on arbitrary use of instruments;

(b) whether it has also restricted the banks from taking long or short credit derivative positions with a trading intent; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Reserve Bank of India has issued draft guidelines on introduction of credit derivatives in India to banks which have been placed on their web-site for comments of banks.

These guidelines envisage that for the present, banks will not be permitted to take long or short credit derivative positions with a trading intent. Banks may hold the derivatives in their banking books and not in the trading books except in case of Credit Linked Notes, which can be held as investments in the trading book, if the banks so desire.

Execution of bonds in lieu of end use exmptions of customs duty

2887. SHRI MURLI DEORA: Will the Minister of FINANCE be pleased to state:

(a) the number of bonds executed in lieu of end use exemptions of customs duty during 1998-99 to 2002-2003 and the number of bonds that are pending cancellation for more than three years, two years and one year;

(b) the reasons for delay in their cancellation and the amount of duty remains unrealized at the end of each financial year during the above period; and

(c) the steps contemplated to accelerate the procedure and quick cancellation of bond so that the duty could be realised?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Number of bonds executed in lieu of end-use exemptions of Customs Duty during 1998-99 to 2002-2003 is as follows:

Year	No. of bonds executed
1998-99	6436
1999-2000	8732
2000-01	21378
2001-02	23382
2002-03	18028
Total	**78456**